

EXHIBIT B

DRAFT

HCA Contract No. 3010-001730

**CONTRACT FOR PERSONAL SERVICES
BETWEEN
WASHINGTON STATE HEALTH CARE AUTHORITY
AND**

This Contract is made and entered into by and between the Washington State Health Care Authority hereinafter referred to as the "Authority," and the below named firm, hereinafter referred to as "Contractor,"

Contractor Name: _____
Address: _____
City, State & Zip Code: _____
Phone: _____
E-mail Address: _____

Washington State UBI No.: _____
Federal ID No.: _____

PURPOSE

The purpose of this contract is to set forth the terms under which the Contractor will provide medical flexible spending account and dependent care assistance third party administration services for the Health Care Authority.

SCOPE OF WORK

- A. The Contractor will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:
1. Write and design brochures, booklets and enrollment forms with Authority input for Authority's website and other purposes.
 2. Provide Authority with a link to an online enrollment form during open enrollment periods only.
 3. Provide information concerning the plan benefits to the Plan Sponsor and/or participant as needed.
 4. Receive Claim Forms and supporting documents from the participants and document the eligibility of the participants to receive benefits, and correspond with participants if additional information is needed.
 5. Process and update information received from the Authority.
 6. Process, issue, and distribute benefit statements three times per year to the plan participants.

7. Process, issue, and distribute reimbursements to plan participants as directed by the Plan Design.
8. Provide the Authority with periodic reports that reflect transactions that occurred in the Plan.
9. Answer reasonable telephone and mail inquiries from the Authority and plan participants regarding benefits provided under the Plan.
10. Perform any value-added services elected and authorized by the Authority. This may include, but not be limited to, preparation of Form 5500 for Authority's signature and filing of annual return/report of employee benefit plan, discrimination testing, enrollment literature, video tapes, enrollment counseling, custom programming, etc.
11. Process, issue, and distribute enrollment kits to new hires within a reasonable amount of time after the receipt of new hire data from the Authority, but no later than thirty (30) days following the employee's hire date.

And as included in the Contractor's proposal dated _____ attached as Attachment E, and the Authority's Request for Proposals attached as Attachment D.

- B. Exhibit A contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the Authority and the Contractor, and specific obligations of both parties.
- C. The Contractor shall produce the following written reports or other written documents (deliverables) by the dates indicated below:

All written reports required under this contract must be delivered to _____, the Contract Manager, in accordance with the schedule above.

PERIOD OF PERFORMANCE

Subject to other provisions, the period of performance under this contract will be from August 1, 2006 (or date of execution, whichever is later) through December 31, 2008.

COMPENSATION AND PAYMENT

Contractor will be compensated at the agreed upon rate of \$X.XX per participant per month for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work.

Contractor and Authority agree that timely completion by Contractor of all Work and delivery of any Work Products is critical, and no additional compensation shall be paid unless the scope of work under the Contract is expanded by written amendment executed by authorized representatives of the Contractor and Authority.

BILLING PROCEDURES

Contractor will invoice the Authority monthly after the month of service. The invoice will include the number of participants by payroll agency code. The Authority will pay the Contractor in a timely manner based upon a payment method mutually agreed upon.

If the Authority determines the invoice amount does not reconcile with internal records, the disputed amount will be reported to the Contractor.

Payment shall be considered timely if made by the Authority within thirty (30) days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

The Authority may, in its sole discretion, terminate the contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the Authority.

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this Contract.

Contract Manager for Contractor is:	Contract Manager for Authority is:
<u>Contractor Name:</u> <u>Address:</u> <u>City, State Zip Code:</u> Phone: () Fax: () E-mail address:	<u>Authority Name:</u> <u>Address:</u> <u>City, State Zip Code:</u> Phone: () Fax: () E-mail address:

ASSURANCES

Authority and the Contractor agree that all activity pursuant to this Contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ORDER OF PRECEDENCE

Each of the Exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable Federal and State of Washington statutes and regulations
- Special Terms and Conditions as contained in this basic contract instrument
- Exhibit A – General Terms and Conditions
- Exhibit B – Special Terms and Conditions
- Exhibit C – Performance Standards
- Exhibit D – Business Associate Agreement
- Exhibit E -- Request for Proposals Dated April 26, 2006
- Exhibit F – Contractor's Proposal Dated May 24, 2006
- Any other provision, term or material incorporated herein by reference or otherwise incorporated

ENTIRE AGREEMENT

This contract including referenced exhibits represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

CONFORMANCE

If any provision of this contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

APPROVAL

This contract shall be subject to the written approval of the Authority's authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT is executed by the persons signing below who warrant that they have the authority to execute the contract.

[CONTRACTOR'S NAME]

HEALTH CARE AUTHORITY

Signature

Signature

Title

Date

Title

Date

APPROVED AS TO FORM:

ATTORNEY GENERAL'S OFFICE

Washington State
Health Care Authority

EXHIBIT A

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "Authority" shall mean the Washington State Health Care Authority, any division, section, office, unit or other entity of the Authority, or any of the officers or other officials lawfully representing the Authority.
- B. "Agent" shall mean the Washington State Health Care Authority Administrator and/or the Administrator's delegate authorized in writing to act on behalf of the Administrator.
- C. "Contractor" shall mean that firm, provider, organization, individual or other entity performing services under this contract, and shall include all employees of the Contractor.
- D. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract under a separate contract with the Contractor. The terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) in any tier.

2. ACCESS TO DATA

In compliance with Chapter 39.29 RCW, the Contractor shall provide access to data generated under this contract to Authority, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models.

3. ADVANCE PAYMENT PROHIBITED

No advance payment shall be made for services furnished by the Contractor pursuant to this contract.

4. AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

5. AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

6. ANTITRUST ASSIGNMENT

Contractor hereby assigns to the State of Washington any and all of its claims for price fixing or overcharges which arise under the antitrust laws of the United States, or the antitrust laws of the State of Washington, relating to the goods, products or services purchased under this contract.

7. ASSIGNMENT

The work to be provided under this contract, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

8. ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorneys fees and costs.

9. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The Contractor shall not use or disclose any information concerning the Authority, or information which may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the Authority, or as may be required by law.

10. CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the Authority may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or services under this contract.

In the event this contract is terminated as provided above, the Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the Authority provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by the law. The existence of facts upon which the Agent makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

11. COPYRIGHT PROVISIONS

Unless otherwise provided, all Materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the Authority. The Authority shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, Contractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the Authority effective from the moment of creation of such Materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, Contractor hereby grants to the Authority a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the Authority.

The Contractor shall exert all reasonable effort to advise the Authority, at the time of delivery of Materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this contract. The Authority shall receive prompt written notice of each notice or claim of copyright infringement received by the Contractor with respect to any data delivered under this contract. The Authority shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

12. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for the purpose of securing business. The Authority shall have the right, in the event of breach of this clause by the Contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

13. DISPUTES

Except as otherwise provided in this contract, when a bona fide dispute arises between the Authority and the Contractor and it cannot be resolved, either party may request a dispute hearing with the Agent. Disputes shall be resolved as quickly as possible.

A. The request for a dispute hearing must:

- be in writing;
 - state the disputed issue(s);
 - state the relative positions of the parties;
 - state the Contractor's name, address, and contract number; and
 - be mailed to the Agent and the other party's (respondent's) Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.
- B. The respondent shall send a written answer to the requester's statement to both the agent and the requester within 5 working days.
- C. The Agent shall review the written statements and reply in writing to both parties within 10 working days. The Agent may extend this period if necessary by notifying the parties.
- D. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Agency and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

14. GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

15. INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the State of Washington, the Authority, and all officials, agents and employees of the State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. Contractor's obligation to indemnify, defend and hold harmless includes any claim by Contractor's agents, employees, representatives, or any subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Contractor's or any subcontractor's performance or failure to perform the contract. Contractor shall be required to indemnify, defend and hold harmless the State only to the extent claim is caused in whole or in part by negligent acts or omissions of Contractor.

Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

16. INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The Contractor and his or her employees or agents performing under this contract are not employees or agents of the Authority. The Contractor will not hold himself/herself out as or claim to be an officer or employee of the Authority or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

17. INDUSTRIAL INSURANCE COVERAGE

Prior to performing work under this contract, the Contractor shall provide or purchase industrial insurance coverage for the Contractor's employees, as may be required of an "employer" as defined in Title 51 RCW, and shall maintain full compliance with Title 51RCW during the course of this contract. Should the Contractor fail to secure industrial insurance coverage or fail to pay premiums, as may be required under Title 51 RCW, the Authority may deduct the amount of premiums and any penalties owing from the amount payable to the Contractor under the Contract and transmit the same to the Department of Labor and Industries, Division of Insurance Services. This provision does not waive any right under RCW 51.12.050 to collect from the Contractor amounts paid by the Authority.

18. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this Contract.

19. LIMITATION OF AUTHORITY

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

20. NONDISCRIMINATION

During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

In the event of the Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy this contract may be rescinded, canceled or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the Authority. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

21. PRIVACY

Personal information collected, used or acquired in connection with this contract shall be used solely for the purposes of this contract. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the Authority or as provided by law. Contractor agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

The Authority reserves the right to monitor, audit, or investigate the use of personal information collected, used or acquired by the contractor through this contract. The monitoring, auditing or investigating may include but is not limited to "salting" by the Authority. Contractor shall certify return or destruction of all personal information upon expiration of this contract. Salting is the

act of placing a record containing unique but false information in a database that can be used later to identify inappropriate disclosure of data contained in the database.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the Authority for any damages related to the Contractor's unauthorized use of personal information.

For purposes of this provision, personal information includes, but is not limited to, information identifiable to an individual that relates to a natural person's health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and other identifying numbers.

22. RECORDS, DOCUMENTS, AND REPORTS

The Contractor shall maintain complete financial records relating to this contract and the services rendered including all books, records, documents, magnetic media, receipts, invoices and other evidence relating to this contract and performance the services described herein, including but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract. At no additional cost, these records including materials generated under the contract, shall be subject at all reasonable times to inspection, review, or audit by the Authority, the Office of the State Auditor, and state and federal officials so authorized by law, rule, regulation, or agreement. The Contractor shall retain such records for a period of six (6) years after the date of final payment.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

23. REGISTRATION WITH DEPARTMENT OF REVENUE

The Contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

24. RIGHT OF INSPECTION

The Contractor shall provide right of access to its facilities to the Authority, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

25. SAFEGUARDING OF INFORMATION

The use or disclosure by any party of any information concerning the Authority for any purpose not directly connected with the administration of the Authority's or the Contractor's responsibilities with respect to services provided under this contract is prohibited except by written consent of the Authority.

26. SEVERABILITY

If any provision of this contract or any provision of any documents incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this contract which can be given effect without the invalid provision, and to this end the provisions of this contract are declared to be severable.

27. SUBCONTRACTING

In no event shall the existence of the subcontract operate to release or reduce the liability of the Contractor to the Authority for any breach in the performance of the Contractor's duties. This clause does not include contracts of employment between the Contractor and personnel assigned to work under this contract.

28. SYSTEM SECURITY

Contractor agrees not to attach any Contractor-supplied computers, peripherals or software to the Authority Network without prior written authorization from Authority's Information Systems Manager. Contractor-supplied computer equipment, including both hardware and software, must be reviewed by the Authority Information Services prior to being connected to any Authority network connection and that it must have up to date anti-virus software and personal firewall software installed and activated on it.

Unauthorized access to Authority networks and systems is a violation of Authority Policy 06-03 and constitutes computer trespass in the first degree pursuant to RCW 9A.52.100. Violation of any of these laws or policies could result in termination of the contract and other penalties.

29. TERMINATION FOR CAUSE

In the event the Authority determines the Contractor has failed to comply with the conditions of this contract in a timely manner, the Authority has the right to suspend or terminate this contract. The Authority shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 3 days, the contract may be terminated. The Authority reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the Authority to terminate the contract.

In the event of termination, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising, and staff time. The termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (i) was not in default, or (ii) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the Authority provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

30. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the Agent may, by giving ten (10) days written notice, beginning on the second day after the mailing, terminate this contract in whole or in part when it is in the best interest of the Authority. If this contract is so terminated, the Authority shall be liable only for payment in accordance with the terms of this contract for services rendered prior to the effective date of termination.

31. TERMINATION FOR DEFAULT

In the event the Authority determines the Contractor has failed to comply with the conditions of this contract in a timely manner, the Authority has the right to suspend or terminate this contract. The Authority shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 3 days, the contract may be terminated. The Authority reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the Authority to terminate the contract.

In the event of termination, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising, and staff time. The termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (i) was not in default, or (ii) failure to perform was outside of his or her control, fault or negligence.

32. TERMINATION FOR WITHDRAWAL OR REDUCTION OF FUNDING

In the event funding from any state, federal, or other sources is withdrawn, substantially reduced, or limited in any way after the effective date of this Agreement and prior to the termination date, HCA may terminate this Agreement upon sixty (60) days' prior written notice to Contractor or upon the effective date of withdrawn or reduced funding, whichever occurs earlier. If this Agreement is so terminated, HCA shall be liable only for payment in accordance with the terms of this Agreement for services rendered prior to the effective date of termination.

33. TERMINATION PROCEDURES

Upon termination of this contract the Authority, in addition to any other rights provided in this contract, may require the Contractor to deliver to the Authority any property specifically produced or acquired for the performance of such part of this contract as has been terminated.

The Authority shall pay to the Contractor the agreed upon price, if separately stated, for completed work and service accepted by the Authority and the amount agreed upon by the Contractor and the Authority for (i) completed work and services for which no separate price is stated; (ii) partially completed work and services; (iii) other property or services which are accepted by the Authority; and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agent shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The Authority may withhold from any amounts due the Contractor such sum as the Agent determines to be necessary to protect the Authority against potential loss or liability.

The rights and remedies of the Authority provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of notice of termination, and except as otherwise directed by the Agent, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to the Authority, in the manner, at the times, and to the extent directed by the Agent, all the rights, title, and interest of the Contractor under the orders and subcontracts so terminated; in which case the Authority has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent to the extent the Agent may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to the Authority and deliver in the manner, at the times, and to the extent directed by the Agent any property which, if the contract has been completed, would have been required to be furnished to the Authority;
- F. Complete performance of such part of the work as shall not have been terminated by the Agent; and
- G. Take such action as may be necessary, or as the Agent may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Authority has or may acquire an interest.

34. TRANSITION TO A NEW SERVICE PROVIDER

In the event of termination of this Contract, Contractor will cooperate fully with Authority and any new service provider, including transfer of claims and data files as directed by Authority.

35. WAIVER

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this contract unless stated to be such in writing signed by the Agent and attached to the original contract.

**ATTACHMENT B TO CONTRACT
SPECIAL TERMS AND CONDITIONS**



**Washington State
Health Care Authority**

ATTACHMENT C TO THE CONTRACT PERFORMANCE STANDARDS

1. Claims Adjudication Turnaround Time (TAT)

Guarantee:	Contractor guarantees 90% of claims will be processed within 10 working days and 95% within 15 working days.
Definition:	TAT calculation considers the total number of working days from the initial receipt of the payment claim to the date the claim is processed.
Tracking:	Group specific
Reported:	Via monthly Claims Lag Report mailed to the HCA.
Measured:	Quarterly, with an average of the quarter compiled by the Contractor and reviewed with HCA.
Refund:	If the quarterly average Turnaround Time exceeds the guarantees, Contractor will refund four percent (4%) of the monthly administration for each month the performance guarantee was not met.

2. Claims Adjudication Financial Accuracy

Guarantee:	Contractor guarantees 99% of dollars will be paid accurately.
Definition:	Payment accuracy is defined as total dollars paid correctly over total dollars that should have been paid. The gross variance (counting negative payments as positive payments when calculating the total) will be used to sum the total dollars paid in error.
Tracking:	Group specific
Reported:	Annually, with an average of a post payment audit of a statistically significant number of claims processed during the time period produced by the Contractor and reviewed with HCA.
Measured:	Annually, with a summary of all audited claims produced by the Contractor and reviewed by HCA.
Refund:	Seven percent (7%) of annual administration, payable after the close of the contract year accounting period through a refund of annual administration.

3. Telephone Response

Guarantee:	Contractor guarantees a telephone response time of 95% in 30 seconds or less, with an abandonment rate not to exceed 3%.
Definition:	Answer time is measured from the moment a caller is placed in the next call queue until answered by a telephone representative or automated telephone system. Callers reaching the automated telephone system will make menu choices prior to being placed in the customer service call queue.
Tracking:	Processing Unit specific.
Reported:	Quarterly, with an average produced by the Contractor and reviewed with the HCA.
Measured:	Quarterly, with an average produced by the Contractor and reviewed with the HCA.

Refund: If the quarterly average Telephone Response time exceeds the performance guarantee, Contractor will refund one percent (1%) of the monthly administration, for each month that the performance guarantee was not met.
If the quarterly average Abandonment Rate exceeds the performance guarantee, Contractor will refund one percent (1%) of the monthly administration, for each month that the performance guarantee was not met.

4. First Call Resolution

Guarantee: Contractor guarantees that 85% of calls will be resolved during/or after the first call.
Definition: First call resolution is defined as a call received by the customer service team that is resolved during and/or after the call is received and does not result in a repeat or follow-up call from the member regarding the exact same issue within 30 calendar days of the first call.
Tracking: Client Specific based on all calls received by Contractor.
Reported: Quarterly
Measured: Quarterly, with quarterly average produced by Contractor and reviewed with the HCA.
Refund: If the quarterly average for First Call Resolution does not meet the performance guarantee, Contractor will refund one percent (1%) of the monthly administration, for each month that the performance guarantee was not met.

5. Web Availability

Guarantee: Contractor guarantees that the web site will be available 98% during scheduled hours.
Definition: Web is operative and available 98% of the time during scheduled hours.
Tracking: General Availability
Reported: Quarterly
Measured: Quarterly
Refund: If the quarterly average for web availability does not meet the performance guarantee, Contractor will refund one percent (1%) of the monthly administration, for each month that the performance guarantee was not met.

6. Call Customer Satisfaction

Guarantee: Contractor guarantees that 80% satisfied or better based on employee surveys.
Definition: Annual employee surveys, conducted by Contractor, indicating a "satisfactory" rating or better
Tracking: Client Specific
Reported: Quarterly
Measured: Quarterly

Refund: If the employee surveys do not indicate that the performance guarantee was met, Contractor will refund one percent (1%) of the annual administration.



Washington State
Health Care Authority